

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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U.S. DEPARTMENT OF COMMERCE
OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SECKAR TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T2-19-20)

The United States Postal Service hereby provides the responses of witness Seckar to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T2-19-20, filed on January 25, 1999.

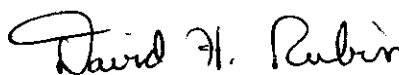
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

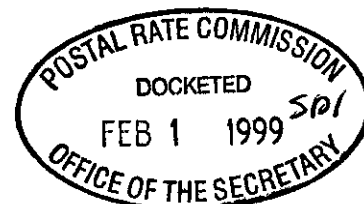
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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February 1, 1999



RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-19. Please refer to Worksheet 1, page1, of Revised Response of USPS Witness Seckar to Question Posed by Presiding Officer at the November 20, 1998 Hearing, dated January 14, 1999. For line (6) "Information Systems-Variable," shouldn't your cited source be Worksheet 2, not Table 15?

RESPONSE:

Yes, the cited source for lines (6) and (7) should be Worksheet 2. In addition, the word "Fixed" on line (7) should read "One-Time." The revised page 1 of Worksheet 1 is attached.

ATTACHMENT TO WITNESS SECKAR'S UPDATED RESPONSE
TO NOVEMBER 20 HEARING QUESTION

Worksheet 1
Page 1
Revised 2/1/99

Mailing Online Impression Costs

Total Costs	Notes	1999	2000	Total 1999 - 2000
Black & White 8.5x11 & 8.5x14				
(1) Hardware	From Table 12	\$2,628,000	\$4,467,600	\$7,095,600
(2) Maintenance	Ibid.	\$5,352,135	\$9,342,706	\$14,694,842
(3) Personnel	From Table 11	\$4,214,900	\$7,380,290	\$11,595,190
(4) Facility costs	From Table 10	\$149,985	\$254,975	\$404,960
(5) Consumables	From Table 13	\$1,635,022	\$2,853,553	\$4,488,575
(6) Information Systems - Variable	From Worksheet 2	\$2,466,064	\$2,723,632	\$5,189,696
(7) Information Systems - One-Time	From Worksheet 2	\$1,845,942	\$3,221,664	\$5,067,605
(8) TOTAL	Sum of (1) through (7)	\$18,292,048	\$30,244,419	\$48,536,468
Black & White 11x17				
(9) Hardware	From Table 12	\$1,752,000	\$2,978,400	\$4,730,400
(10) Maintenance	Ibid.	\$1,609,892	\$2,760,043	\$4,369,935
(11) Personnel	From Table 11	\$2,809,933	\$4,920,193	\$7,730,127
(12) Facility costs	From Table 10	\$99,990	\$169,983	\$269,973
(13) Consumables	From Table 13	\$458,999	\$801,077	\$1,260,077
(14) Information Systems - Variable	From Worksheet 2	\$692,297	\$764,605	\$1,456,902
(15) Information Systems - One-Time	From Worksheet 2	\$518,211	\$904,417	\$1,422,628
(16) TOTAL	Sum of (9) through (15)	\$7,941,323	\$13,298,718	\$21,240,041
Spot Color 8.5x11 & 8.5x14				
(17) Hardware	From Table 12	\$2,993,040	\$5,088,168	\$8,081,208
(18) Maintenance	Ibid.	\$5,524,363	\$9,599,289	\$15,123,652
(19) Personnel	From Table 11	\$8,429,800	\$14,760,580	\$23,190,380
(20) Facility costs	From Table 10	\$299,970	\$509,949	\$809,919
(21) Consumables	From Table 13	\$3,461,889	\$6,041,925	\$9,503,814
(22) Information Systems - Variable	From Worksheet 2	\$2,253,012	\$2,488,328	\$4,741,339
(23) Information Systems - One-Time	From Worksheet 2	\$1,686,464	\$2,943,333	\$4,629,797
(24) TOTAL	Sum of (17) through (23)	\$24,648,538	\$41,431,572	\$66,080,110
(25) Total Costs	(8) + (16) + (24)	\$50,881,909	\$84,974,709	\$135,856,618

ATTACHMENT TO RESPONSE
TO OCA/USPS-TA-19

RESPONSE OF POSTAL SERVICE WITNESS SECKAR TO
INTERROGATORY OF OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T2-20. Please refer to Worksheet 1, page 2, and Worksheet 2, of Revised Response of USPS Witness Seckar to Question Posed by Presiding Officer at the November 20, 1998 Hearing, dated January 14, 1999. Also refer to the Commission's holding in PRC Op. MC97-5 at 47 that the start-up costs of a new service should be recovered as part of the attributable costs of the service (and then marked up). Please confirm that, in conformance to the Commission's approach in MC97-5, the unit attributable Information Systems cost for MOL, including start-up costs, would be \$0.0041 (computed by the simple addition of the unit one-time cost of \$0.0020 to the unit variable cost of \$0.0021). If you do not confirm, please explain.

RESPONSE:

The arithmetic is confirmed. Worksheet 1, pages 1 and 2, shows the distribution of start-up costs to each impression to illustrate how the cost elements can be spread using impressions as the unit. Moreover, this presentation of costs is not meant to suggest that one pricing method or another should be undertaken. Such a decision is better made by witness Plunkett.

DECLARATION

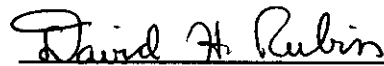
I, Paul G. Seckar, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Paul G Seckar

Dated: February 1, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



David H. Rubin

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